

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG ELECTRIC LOGS FILE ☒ WATER SANDS LOCATION INSPECT SUB. REPORT/abd.

970807 LOCATION ABANDONED OFF. 8.6.97

DATE FILED DECEMBER 28, 1995

LAND: FEE & PATENTED FEE STATE LEASE NO.

PUBLIC LEASE NO.

INDIAN

DRILLING APPROVED: JULY 8, 1996

SPUDDED IN:

COMPLETED: 8.6.97 LA PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED: August 6, 1997 LA'D

FIELD: UNDESIGNATED

UNIT:

COUNTY: CARBON

WELL NO. LDS 17-133

API NO. 43-007-30313

LOCATION 1500 FSL FT. FROM (N) (S) LINE. 1700 FEL FT. FROM (E) (W) LINE. NW SE

1/4 - 1/4 SEC. 17

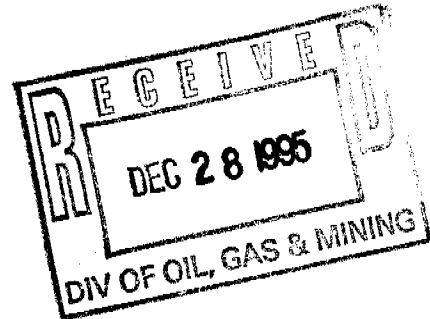
TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
15S	10E	17	RIVER GAS CORP.				



RIVER GAS CORPORATION

511 Energy Center Blvd.
Northport, Alabama 35476
Phone (205) 759-3282
Fax (205) 759-3188 (Accounting)
Fax (205) 758-5309 (Corporate)

December 20, 1995



Mr. Michael Hebertson
Utah Board of Oil, Gas, and Mining
Suite 350, 3 Triad Center
355 West North Temple
Salt Lake City, Utah 84180-1203

RE: Application for Permit to Drill -
LDS 17-133, NE 1/4 of SE 1/4 of Sec. 17, T15S, R10E
S.L.B. & M., Carbon County, Utah

Dear Mr. Hebertson:

Enclosed is an original and one copy of an "Application for Permit to Drill" for the well named above. Attached to the APD is the following information, as prepared by Powers Elevation Co., Inc:

- Exhibit "A": - Copy of survey plat of proposed well site
- Exhibit "B": - Drilling Program
- Exhibit "C": - B.O.P. Diagram
- Exhibit "D": - Surface Use Plan
- Exhibit "E": - Proposed Location/Access
- Exhibit "F": - Typical Road X-Section
- Exhibit "G": - Location Layout
- Exhibit "H": - Well Site Layout
- Exhibit "I": - Evidence of Bond

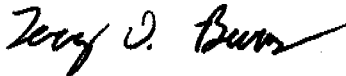
Exhibit "E" illustrates the proposed pipeline and road routes from the well site, but may be subject to change due to land owner's request.

As you will notice, this well is located closer than 1000' from a unit boundary. Due to landowner's request, we ask that an exception to location be granted.

Please accept this letter as our request that all information regarding this permit be kept confidential, if said information is eligible for such consideration. This request is made in accordance with State of Utah Oil and Gas rule # R649-2-11.

Thank you for your assistance. Please feel free to contact me if you have questions.

Sincerely,



Terry D. Burns

Geologist

cc: Mr. Edward W. Bonner, Utah Department of Natural Resources
Mr. Eric Jones, BLM in Moab, Utah
Mr. Dean Nyffler, BLM in Price, Utah
Mr. Robert A. Hendricks, BLM in Salt Lake City, Utah
Mr. J.R. French, Texaco
Mr. R.A. Lamarre, Texaco
Mr. Gee Lake, Jr., Dominion Reserves

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

DEC 28 1995

5. Lease Designation and Serial Number:

Patented

6. If Indian, Allottee or Tribe Name:

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1A. Type of Work:

DRILL ☒

DEEPEN ☐

B. Type of Well:

OIL ☐

GAS ☒

OTHER:

SINGLE ZONE ☐

MULTIPLE ZONE ☐

2. Name of Operator:

River Gas Corp.

3. Address and Telephone Number:

511 Energy Center Blvd., Northport, AL 35476

4. Location of Well (Footages)

At Surface:

1500' FSL & 1700' FEL

At Proposed Producing Zone:

45'

51'

7. Well Agreement Name:

8. Farm or Lease Name:

LDS

9. Well Number:

17-133

10. Field and Pool, or Wildcat:

Undesignated

11. City/Ctr, Section, Township, Range, Meridian:

NW/SE, Sec 17,

T15S, R10E

14. Distance in miles and direction from nearest town or post office:

12. County:

Carbon

13. State:

UTAH

15. Distance to nearest property or lease line (feet):

940'

16. Number of acres in lease:

129.09

17. Number of acres assigned to this well:

160

18. Distance to nearest well, drilling, completed, or applied for, on this lease (feet):

n/a

19. Proposed Depth:

1621'

20. Rotary or cable tools:

Rotary

21. Elevations (show whether DF, RT, GR, etc.):

5601' GR

22. Approximate date work will start:

May 1996

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8"	24#	300'	110 sx Class G, 15.8 ppg
7 7/8"	5 1/2"	17#	1591'	50/50 Pozmix, tail RFC
	SEE EXHIBIT "B"			

DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

EXHIBITS ATTACHED:

- EXHIBIT "A" Location Plat
- EXHIBIT "B" Drilling Program
- EXHIBIT "C" BOPE Diagram
- EXHIBIT "D" Surface Use Plan
- EXHIBIT "E" Proposed Location/Access
- EXHIBIT "F" Typical Road X-section
- EXHIBIT "G" n/a
- EXHIBIT "H" Well Site Layout
- EXHIBIT "I" Evidence of Bond

24.

Name & Signature:

Janet Watson

Agent for

River Gas Corp.

Date: 12/26/95

(This space for State use only)

API Number Assigned:

43-007-30313

Approval:

J Matthews

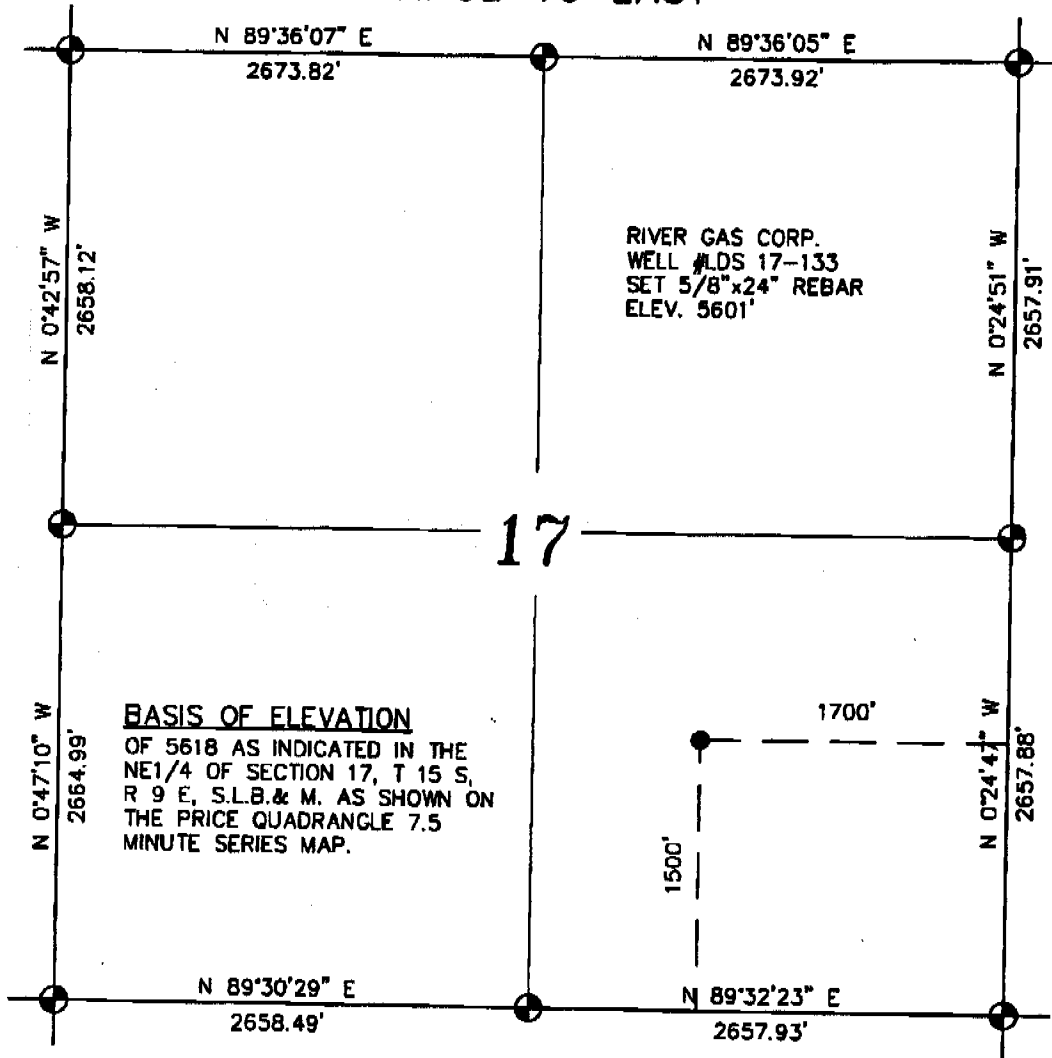
Petroleum Engineer

7/8/96

RANGE 10 EAST

EXHIBIT "A"

TOWNSHIP 15 SOUTH

**BASIS OF ELEVATION**

OF 5618 AS INDICATED IN THE
NE 1/4 OF SECTION 17, T 15 S,
R 9 E, S.L.B. & M. AS SHOWN ON
THE PRICE QUADRANGLE 7.5
MINUTE SERIES MAP.

**LEGEND**

- FOUND BRASS CAP
- SEARCHED FOR BUT NOT FOUND
- ◊ FOUND ROCK CORNER

BASIS OF BEARING

BASIS OF BEARING N 0°24'47" W MEASURED
BETWEEN THE E 1/4 CORNER AND THE NE CORNER
OF SECTION 17, TOWNSHIP 15 SOUTH, RANGE 10
EAST, SALT LAKE BASE AND MERIDIAN.

ENGINEER'S CERTIFICATE

I, EVAN E. HANSEN, DO HEREBY CERTIFY THAT I AM A
REGISTERED LAND SURVEYOR AND PROFESSIONAL ENGINEER
HOLDING CERTIFICATE NUMBER 145656 AS PRESCRIBED
UNDER THE LAWS OF THE STATE OF UTAH. I FURTHER
CERTIFY THAT I HAVE MADE A SURVEY OF THE TRACT OF
GROUND SHOWN AND THAT IT IS TRUE AND CORRECT TO
THE BEST OF MY KNOWLEDGE.

Evan E. Hansen
EVAN E. HANSEN

DATE

OCT 30, 1995

SE 1/4 SEC. 19 T 14 S, R 10 E, S.L.B. & M.

Empire Engineering

1665 E. Sagewood Rd. Price, Utah 84501

RIVER GAS CORP.
WELL #LDS 17-133

Drawn By:
TLH

Approved By:
EEH

Drawing No.

EEOG-95133

Date:
10-30-95

Scale:
1"=1000'

Sheet:

1 of 2

EXHIBIT "B"DRILLING PROGRAM

Attached to Form 3
 River Gas Corp.
 #17-133 LDS
 NW/4 SE/4, Sec. 17, T14S, R10E
 1500' FSL & 1700' FEL
 Carbon County, Utah

1. The Geologic Surface Formation

Mancos Shale

2. Estimated Tops of Important Geologic Markers.

Blue Gate/Ferron 1180'
 Ferron/Tununk 1521'

3. Projected Gas & H2O zones (Ferron Formation)

Sandstones and coals - 1251' to 1401'

No groundwater is expected to be encountered.

Casing & cementing will be done to protect potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable minerals deposits. All indications of usable water will be reported.

Surface casing will be tested to 1400 psi.

4. The Proposed Casing and Cementing Programs

<u>HOLE SIZE</u>	<u>SETTING DEPTH (INTERVAL)</u>	<u>SECTION LENGTH</u>	<u>SIZE (OD)</u>	<u>WEIGHT, GRADE & JOINT</u>	<u>NEW, USED</u>
11	300'	300'	8 5/8	24#	new
7 7/8	1591'	1591'	5 1/2	17#	new

Cement Program

Surface Casing: 110 sx Class G, 15.8 ppg cement

Production Casing: 50/50 Pozmix and tail in with RFC. The 50/50 Pozmix accounts for 75% total cement, RFC 25%.

Total sx cement 185.

Cement volumes will vary depending on formations encountered and hole conditions.

The following shall be entered in the driller's log:

- (1) Blowout preventer pressure tests, including test pressures and results;
- (2) Blowout preventer tests for proper functioning;
- (3) Blowout prevention drills conducted;
- (4) Casing run, including size, grade, weight, and depth set;
- (5) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
- (6) Waiting on cement time for each casing string;
- (7) Casing pressure tests after cementing, including test pressures and results.

5. The Operator's Minimum Specifications for Pressure Control

EXHIBIT "C" is a schematic diagram of the blowout preventer equipment. A double gate 3000 psi BOPE will be used with a rotating head. This equipment will be tested to 1400 psi. All tests will be recorded in a Driller's Report Book. Physical operation of BOP's will be checked on each trip.

6. The Type and Characteristics of the Proposed Circulating Muds

0-300	11" hole	Drill with air, will mud-up if necessary
300-1621	7 7/8" hole	Drill with air. 400 psi @ 1500-1800 Scf.

7. The Testing, Logging and Coring Programs to be Followed

0-300	Gamma Ray			
300-TD	Gamma Ray,	Density,	Neutron Porosity,	
	Induction,	Caliper		

Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure expected is 778 psi maximum.

No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled in May 1996.

Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Division of Oil, Gas & Mining:

- (a) prior to beginning construction;
- (b) prior to spudding;
- (c) prior to running any casing or BOP tests;
- (d) prior to plugging the well, for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall be reported to the Division of Oil, Gas & Mining immediately.

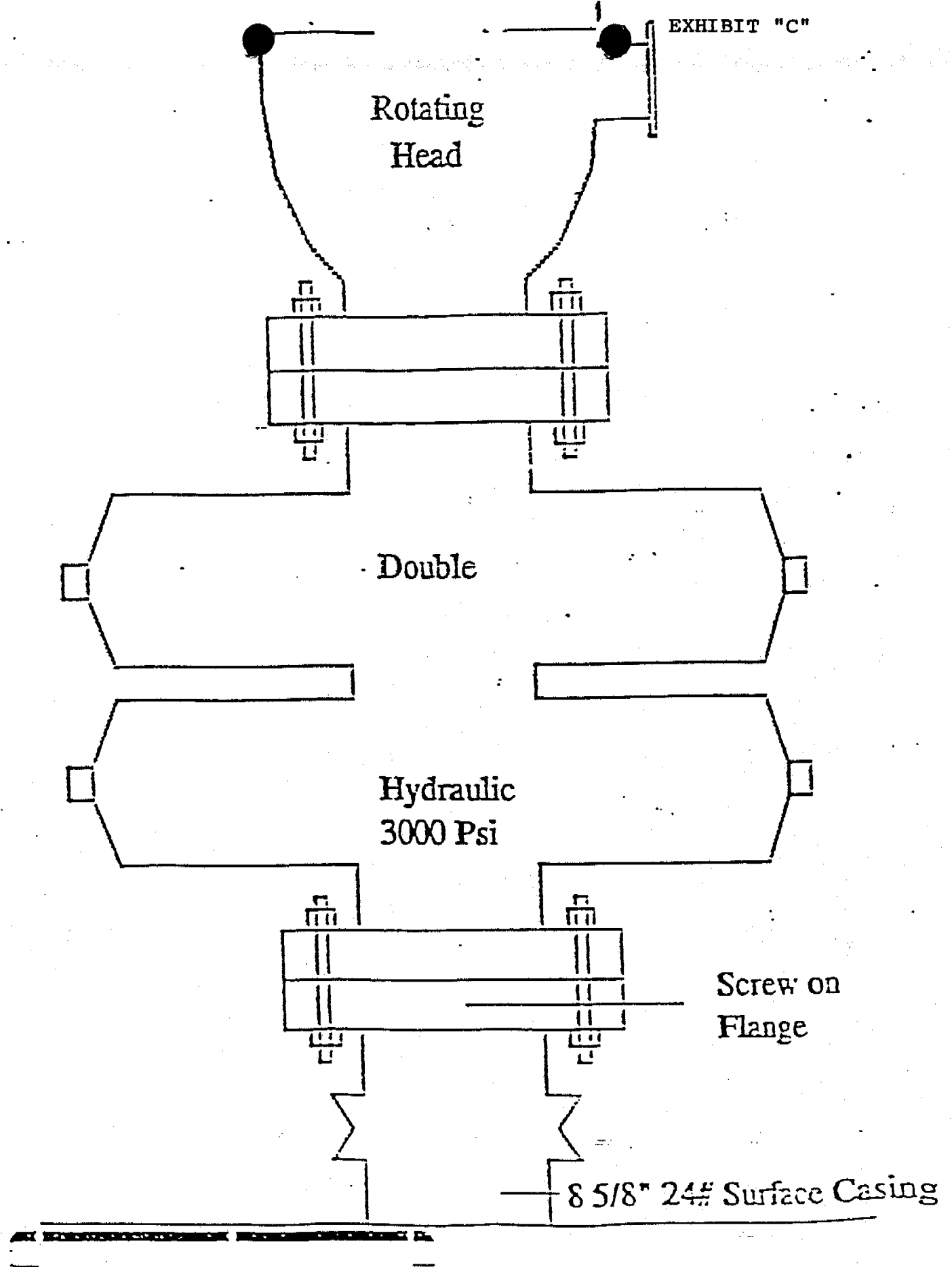


EXHIBIT "D"MULTIPOINT SURFACE USE PLAN

Attached to Form 3
River Gas Corp.
#17-133 LDS
NW/4 SE/4, Sec. 17, T15S, R10E
1500' FSL & 1700' FEL
Carbon County, Utah

1. EXISTING ROADS

- A. See Exhibit "E". We do not plan to change, alter or improve upon any existing state or county roads. Existing roads will be maintained in same or better condition.
- B. From its junction with US Hwy. 6, proceed south on State Hwy. 10 for 5.25 miles to the Stake Farm road (5800 South). Turn left and proceed east-southeast on the Stake Farm road (paved) for .45 mile. At this point proceed north for 1100' and then west and north for 500' to location.

2. PLANNED ACCESS

See Exhibit "E". 1600' of new access is required.

- A. Maximum Width: 14' travel surface with 27' base
- B. Maximum grade: 1%
- C. Turnouts: None
- D. Drainage design: Natural drainage will be retained. Water will be diverted around well pad as necessary.
- E. Cuts and fills: None
- F. Surfacing materials: 4" sand and gravel if necessary.
- G. Gates, cattleguards, fence cuts: None

If well is productive, road will be surfaced and maintained as necessary to prevent soil erosion and accommodate year-round traffic.

3. LOCATION OF EXISTING WELLS

- A. See Exhibit "E". There are three wells presently being drilled, 1 existing and one P&A'd well within a one mile radius of the proposed location.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. If the well is a producer, installation of production facilities will be as shown on EXHIBIT "H". Buried powerlines run on the east or north of roads, gathering lines to the south and west.
- B. Rehabilitation of all pad areas not used for production facilities will be made in accordance with landowner stipulations.

5. LOCATION AND TYPE OF WATER SUPPLY

- A. Water to be used for drilling will be purchased from the Price River Water Improvement District (tel. 801-637-6350). This has been arranged by Mr. Michael J. Farrens, Vice President of River Gas Corp. - Utah Operations. He has been in contact with Mr. Phillip Palmer. Mr. Farrens has discussed this arrangement with Mark Page of the Division of Water Rights (tel. 801-637-1303) over the telephone. The Division of Water Rights is to furnish the Oil & Gas Division with a letter of approval concerning this matter.
- B. Water will be transported by truck over approved access roads.
- C. No water well is to be drilled for this location.

6. SOURCE OF CONSTRUCTION MATERIALS

- A. Any construction materials needed will be obtained locally and hauled to the location on existing roads.
- B. No construction or surfacing materials will be taken from Federal/Indian land.

7. METHODS FOR HANDLING WASTE DISPOSAL

- A. As the well will be air drilled, a small reserve pit will be constructed with a minimum of one-half the total depth below the original ground surface on the lowest point within the pit. The pit will not be lined unless conditions encountered during construction warrant it. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth

side within 24 hours after drilling operations cease with four strands of barbed wire, or woven wire topped with barbed wire to a height of not less than four feet. The fence will be kept in good repair while the pit is drying.

- B. Following drilling, the liquid waste will be evaporated from the pit and the pit backfilled and returned to natural grade.

No liquid hydrocarbons will be discharged to the reserve pit or location.

- C. In the event fluids are produced, any oil will be retained in tankage until sold and any water produced will be retained until its quality can be determined. The quality and quantity of the water will determine the method of disposal.
- D. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

8. ANCILLARY FACILITIES

- A. We anticipate no need for ancillary facilities with the exception of three trailers to be located on the drill site.

9. WELLSITE LAYOUT

- A. Available topsoil will be removed from the location and stockpiled. If ground frost prevents the segregation and removal of the topsoil material from the less desirable subsoil material, cross-ripping to the depth of the topsoil material may be necessary. Location of mud tanks, reserve and burn pits, and soil stockpiles will be located as shown on the attachments.
- B. A blooie pit will be located 150' diagonally from the drill hole. A line will be placed on the surface from the center hole to the burn pit. Burn pit will not be lined, but will be fenced on four sides to protect livestock/wildlife.
- C. Access to the well pad will be as shown on Exhibit "E".
- D. Natural runoff will be diverted around the well pad.

10. PLANS FOR RESTORATION OF SURFACE

- A. All surface areas not required for producing operations will be graded to as near original condition as possible and contoured to maintain possible erosion to a minimum.
- B. Available topsoil will be stockpiled and will be evenly distributed over the disturbed areas and the area will be reseeded as prescribed by the landowner.
- C. Pits and any other area that would present a hazard to wildlife or livestock will be fenced off when the rig is released and removed.
- D. Any oil accumulation on the pit will be removed or overhead flagged as dictated by then existing conditions.
- E. Date of commencement will be May, 1996. Rehabilitation will commence following completion of the well. Rat and mouse holes will be filled immediately upon release of the drilling rig from the location. If the wellsite is to be abandoned, all disturbed areas will be recontoured to the natural contour as is possible.

11. SURFACE OWNERSHIP

- A. The wellsite and access road will be constructed on lands owned by LDS, 50 East North Temple, Salt Lake City, UT 84150. The operator shall contact the landowner and the Division of Oil, Gas & Mining 48 hours prior to beginning construction activities.

12. OTHER INFORMATION

The primary surface use is irrigated cropland. The nearest dwelling is ±1650' southwest of the location. Nearest live water is Carbon Canal 1100' south.

If there is snow on the ground when construction begins, it will be removed before the soil is disturbed, and piled downhill from the topsoil stockpile location.

The backslope will be constructed no steeper than 4:1, the foreslope no steeper than 4:1.

All equipment and vehicles will be confined to the access road and well pad.

A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations, shall be on

the wellsite during construction and drilling operations.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the Division of Oil, Gas & Mining.

13. COMPANY REPRESENTATIVE

THROUGH A.P.D. APPROVAL

Janet Watson
Agent/Consultant for
River Gas Corp.
P. O. Box 440889
Aurora, Co. 80044
(303) 321-2217

MAIL APPROVED A.P.D. TO

Terry Burns
River Gas Corp.
511 Energy Cntr. Blvd.
Northport, AL 35476
(205) 759-3282

FIELD REPRESENTATIVE

Steve Prince
(801) 637-8876
M-(801) 636-5256

DIRT CONTRACTOR

NELCO
Larry Jensen
(801) 637-3495
M-(801) 636-5268

14. CERTIFICATION

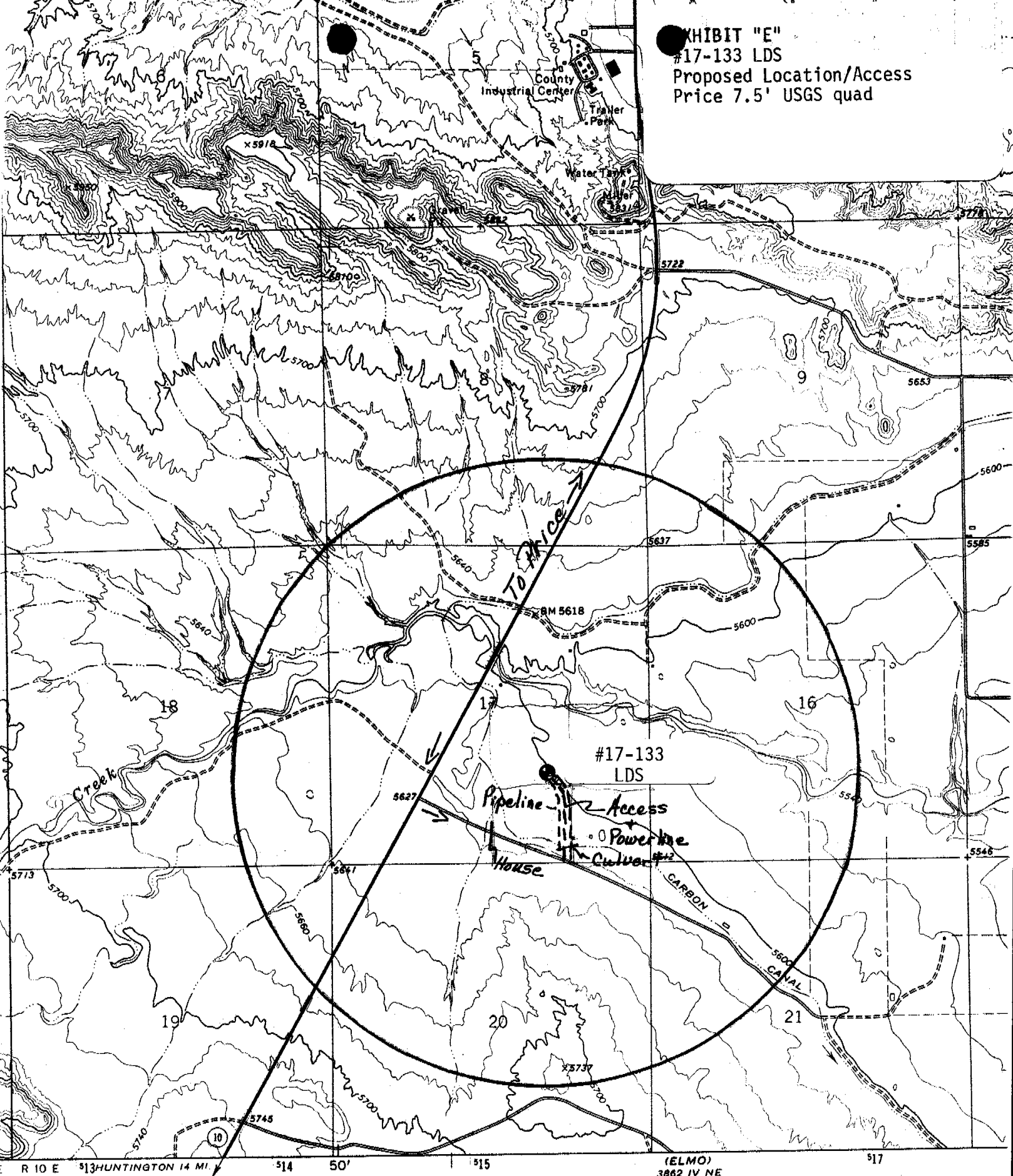
I hereby certify that I, or persons under my direct supervision have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated with the operations proposed herein will be performed by River Gas Corp. and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Date

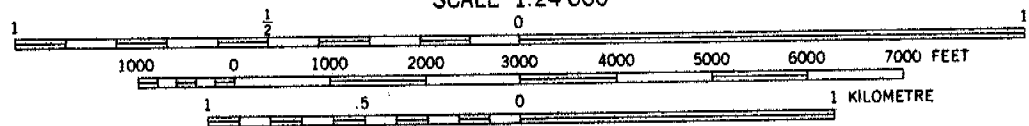
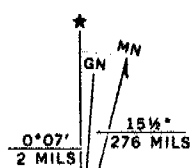
12/26/95

Janet Watson
Janet Watson
Agent for River Gas Corp.

EXHIBIT "E"
#17-133 LDS
Proposed Location/Access
Price 7.5' USGS quad

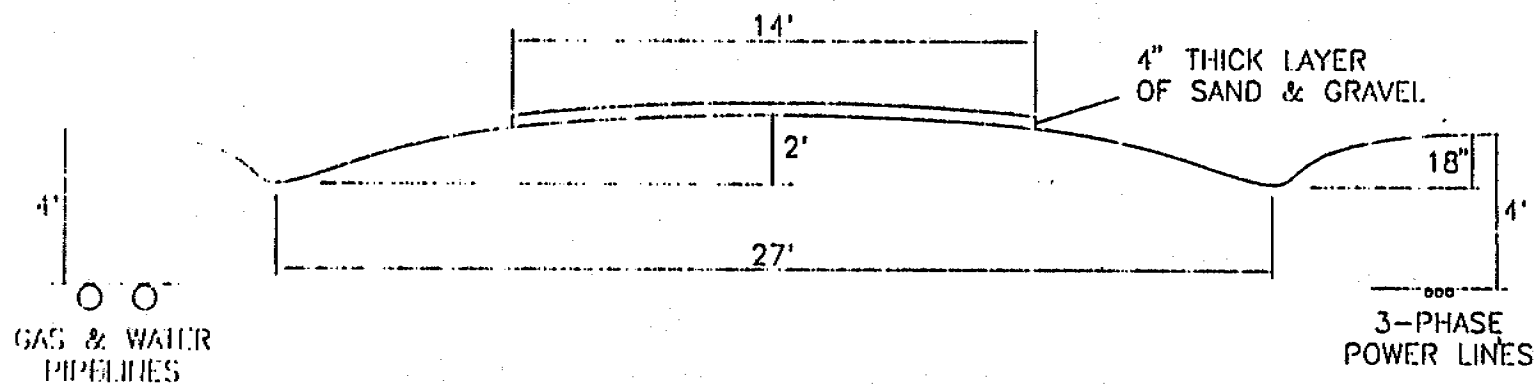


Survey



CONTOUR INTERVAL 20 FEET
 NATIONAL GEODETIC VERTICAL DATUM OF 1929

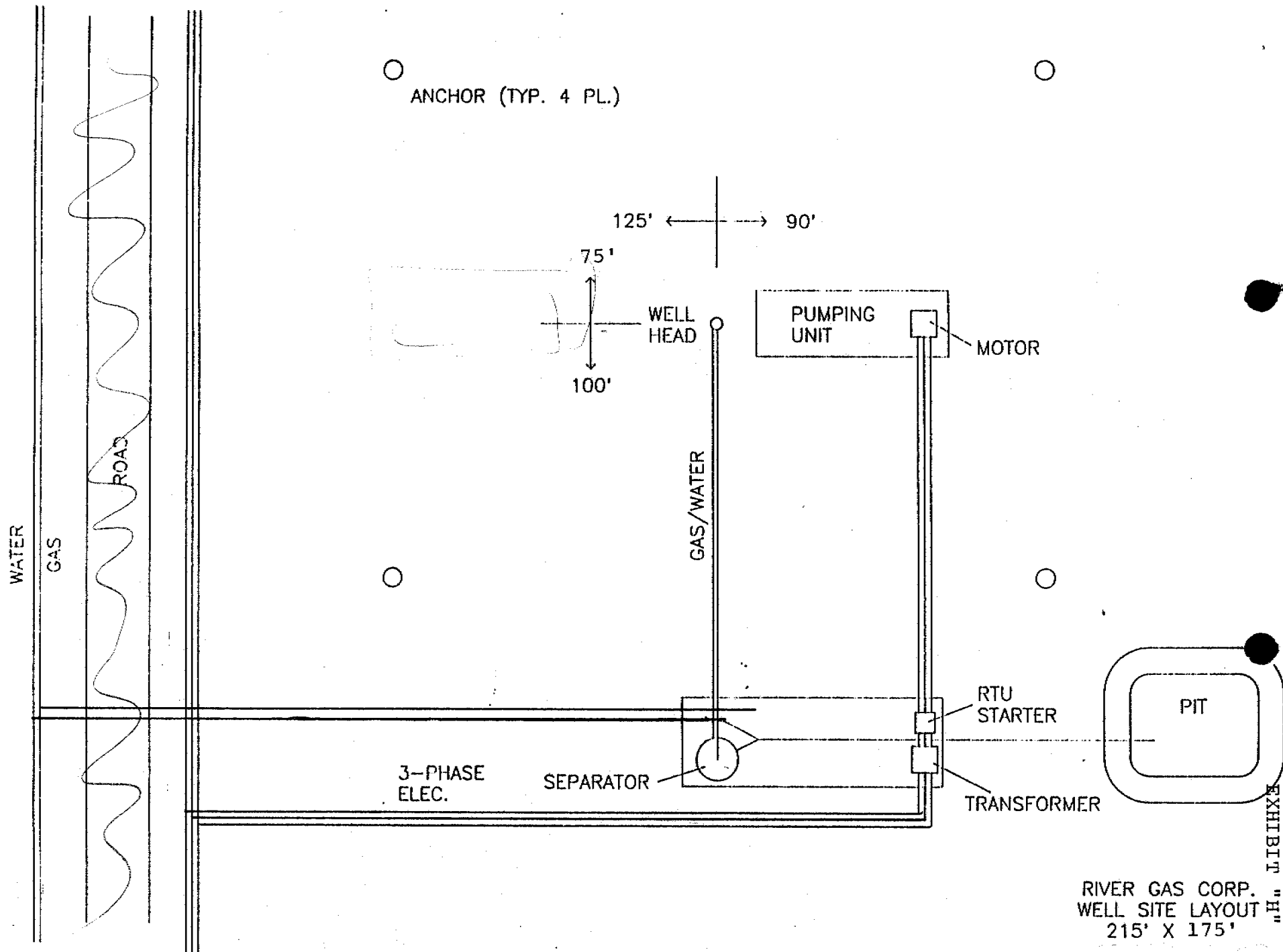
RIVER GAS CORPORATION



TYPICAL ROAD CROSS-SECTION

NOT TO SCALE

3/23/95



AmSouth Bank

EXHIBIT "I"

Birmingham:

TELEX: 6827189
Cable: AMSOUBKBHM
S.W.I.F.T. AMSB US 44

AMSOUTH BANK OF ALABAMA
1900 FIFTH AVENUE NORTH
BIRMINGHAM, ALABAMA 35203 USA
OUR REFERENCE NUMBER: S308586

International Services

Mobile:

TELEX: 6821116
Cable: AMSOMBL
S.W.I.F.T. AMSB US 44

AMENDMENT NUMBER: 002
TO LETTER OF CREDIT NUMBER: S308586
DATE: NOVEMBER 13, 1995

BENEFICIARY:

STATE OF UTAH
DEPT. OF NATURAL RESOURCES
DIV. OF OIL, GAS AND MINING
355 WEST TEMPLE 3 TRIAD CENTER
SUITE 350
SALT LAKE CITY, UTAH 84180-1203


AT THE REQUEST OF RIVER GAS CORPORATION 3600 WATERMELON ROAD
SUITE 204 NORTHPORT, ALABAMA 35476 AND FOR THE ACCOUNT OF SAME

WE HEREBY AMEND OUR LETTER OF CREDIT NUMBER S308586 DATED
DECEMBER 3, 1993 OPENED IN YOUR FAVOR AS FOLLOWS:

-ACCOUNT PARTY'S ADDRESS IS CHANGED
TO: 511 ENERGY CENTER BLVD
NORTHPORT, ALABAMA 35476

**REFERENCES HEREIN TO AMSOUTH BANK N.A. SHALL BE DEEMED TO REFER
TO AMSOUTH BANK OF ALABAMA.**

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.
THIS AMENDMENT BECOMES AN INTEGRAL PART OF THE ORIGINAL LETTER OF
CREDIT AND IS TO BE ATTACHED THERETO.


AUTHORIZED SIGNATURE

AmSouth Bank

EXHIBIT "I"

Birmingham:

TELEX: 6827189
Cable: AMSOUBKBHM
S.W.I.F.T. AMSB US 44

Mobile:

TELEX: 6821116
Cable: AMSOMBL
S.W.I.F.T. AMSB US 44

AMSOUTH BANK OF ALABAMA
1900 FIFTH AVENUE NORTH
BIRMINGHAM, ALABAMA 35203 USA
OUR REFERENCE NUMBER: S304606

International Services

AMENDMENT NUMBER: 005
TO LETTER OF CREDIT NUMBER: S304606
DATE: NOVEMBER 13, 1995

BENEFICIARY:

STATE OF UTAH, DEPARTMENT OF
NATURAL RESOURCES, DIVISION OF
STATE LANDS AND FORESTRY
#3 TRIAD CENTER SUITE 400
355 WEST TEMPLE
SALT LAKE CITY, UTAH 84180-1204

AT THE REQUEST OF RIVER GAS CORPORATION 511 ENERGY CENTER BLVD
NORTHPORT, ALABAMA 35476

WE HEREBY AMEND OUR LETTER OF CREDIT NUMBER S304606 DATED
DECEMBER 14, 1990 OPENED IN YOUR FAVOR AS FOLLOWS:

-ACCOUNT PARTY'S ADDRESS IS CHANGES TO:
511 ENERGY CENTER BLVD.
NORTHPORT, ALABAMA 35476.

**REFERENCES HEREIN TO AMSOUTH BANK N.A. SHALL BE DEEMED TO REFER
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AUTHORIZED SIGNATURE

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

DEC 28 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1A. Type of Work: DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		5. Lease Designation and Serial Number: Patented
8. Type of Well: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER: SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. If Indian, Allottee or Tribe Name:
2. Name of Operator: River Gas Corp.		7. Unit Agreement Name:
3. Address and Telephone Number: 511 Energy Center Blvd., Northport, AL 35476		8. Farm or Lease Name: LDS
4. Location of Well (Footages) At Surface: 1500' FSL & 1700' FEL At Proposed Producing Zone:		9. Well Number: 17-133
14. Distance in miles and direction from nearest town or post office:		10. Field and Pool, or Wildcat: Undesignated
15. Distance to nearest property or lease line (feet): 940'	16. Number of acres in lease: 129.09	11. Ctr/Ctr, Section, Township, Range, Meridian: NW/SE, Sec 17, T15S, R10E
18. Distance to nearest well, drilling, completed, or applied for, on this lease (feet): n/a	19. Proposed Depth: 1621'	12. County: Carbon
21. Elevations (show whether DF, RT, GR, etc.): 5601' GR		13. State: UTAH
20. Rotary or cable tools: Rotary		22. Approximate date work will start: May 1996

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
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EXHIBIT "D" Surface Use Plan
EXHIBIT "E" Proposed Location/Access
EXHIBIT "F" Typical Road X-section
EXHIBIT "G" n/a
EXHIBIT "H" Well Site Layout
EXHIBIT "I" Evidence of Bond

24. Name & Signature: Janet Watson Title: Agent for River Gas Corp. Date: 12/26/95

(This space for State use only)

API Number Assigned:

43007-30313

Approval:

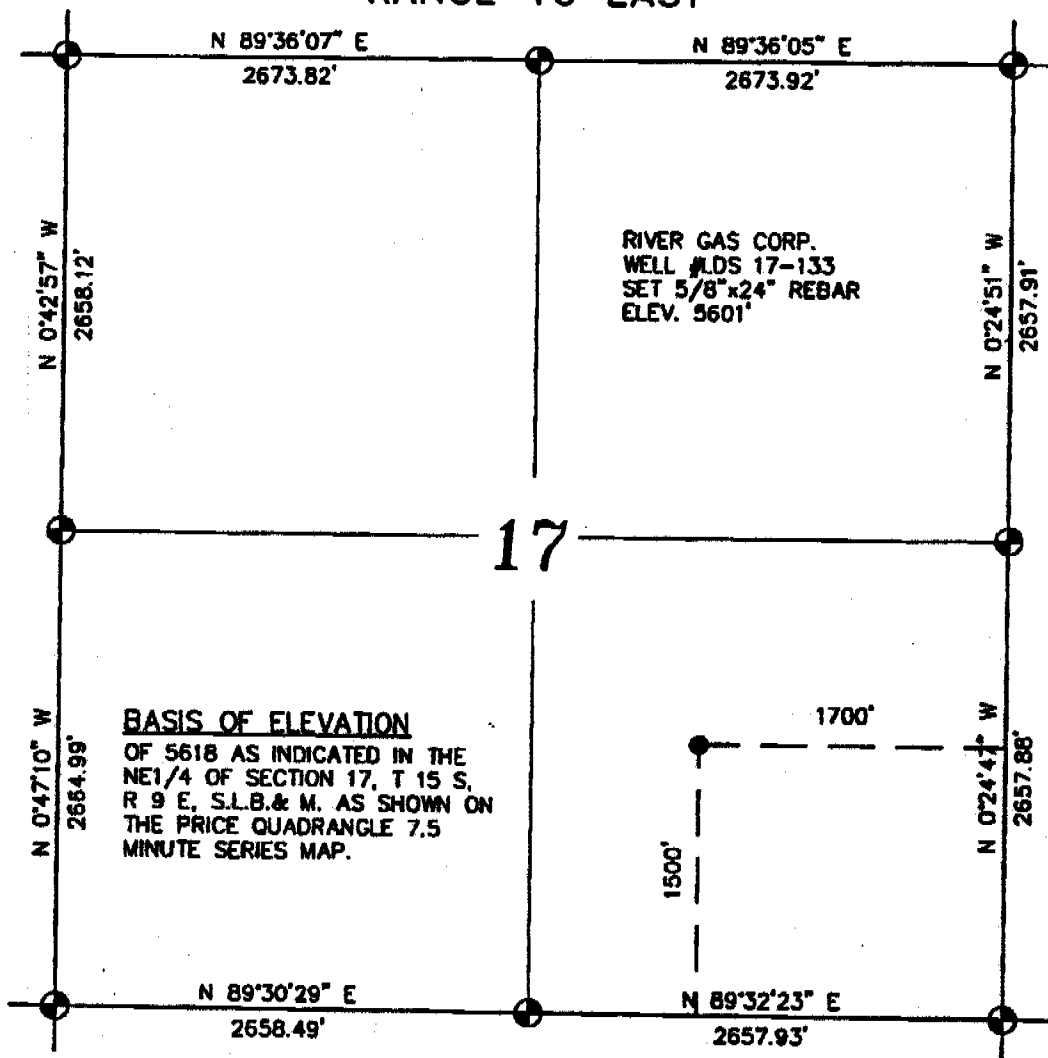
J. Matthews Petroleum Engineer

7/8/96

RANGE 10 EAST

EXHIBIT "A"

TOWNSHIP 15 SOUTH

**LEGEND**

- ⊙ FOUND BRASS CAP
- SEARCHED FOR BUT NOT FOUND
- ◇ FOUND ROCK CORNER

BASIS OF BEARING

BASIS OF BEARING N 0°24'47" W MEASURED
BETWEEN THE E 1/4 CORNER AND THE NE CORNER
OF SECTION 17, TOWNSHIP 15 SOUTH, RANGE 10
EAST, SALT LAKE BASE AND MERIDIAN.

ENGINEER'S CERTIFICATE

I, EVAN E. HANSEN, DO HEREBY CERTIFY THAT I AM A
REGISTERED LAND SURVEYOR AND PROFESSIONAL ENGINEER
HOLDING CERTIFICATE NUMBER 145656 AS PRESCRIBED
UNDER THE LAWS OF THE STATE OF UTAH. I FURTHER
CERTIFY THAT I HAVE MADE A SURVEY OF THE TRACT OF
GROUND SHOWN AND THAT IT IS TRUE AND CORRECT TO
THE BEST OF MY KNOWLEDGE.

Evan E. Hansen 067 30, 1995
EVAN E. HANSEN DATE

SE 1/4 SEC. 19 T 14 S, R 10 E, S.L.B. & M.

Empire Engineering

1665 E. Sagewood Rd. Price, Utah 84501

RIVER GAS CORP.
WELL #LDS 17-133

Drawn By:
TLH

Approved By:
EEH

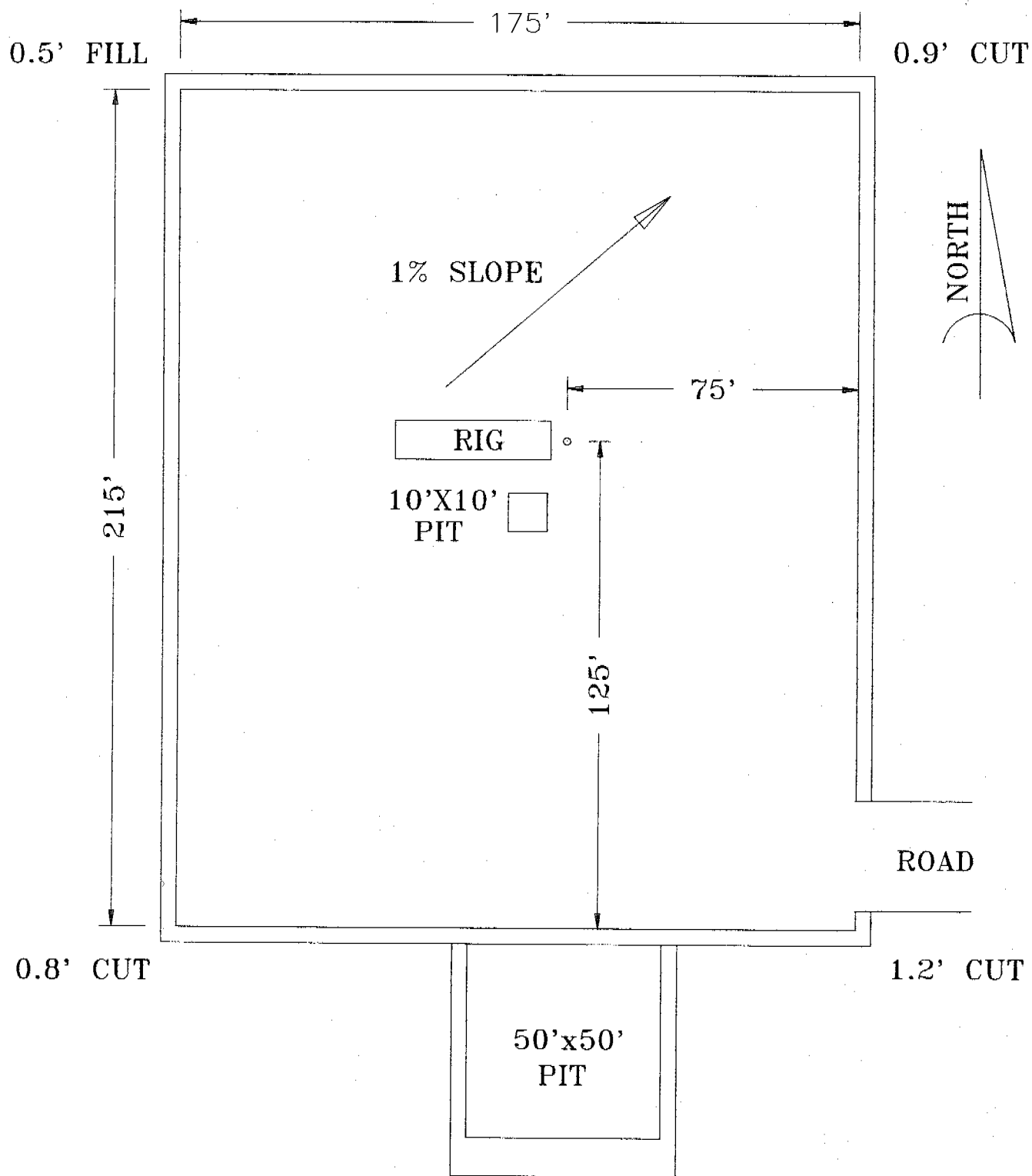
Drawing No.

EEOG-95133

Date:
10-30-95

Scale:
1"=1000'

Sheet:
1 of 2



LDS 17-133

NW/SE, SECTION 17, T15S, R10E
RIVER GAS CORPORATION
LOCATION LAYOUT
JUNE 28, 1996

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/28/95

API NO. ASSIGNED: 43-007-30313

WELL NAME: LDS 17-133
OPERATOR: RIVER GAS CORPORATION (N1605)

PROPOSED LOCATION:
NWSE 17 - T15S - R10E
SURFACE: 1500-FSL-1700-FEL
BOTTOM: 1500-FSL-1700-FEL
CARBON COUNTY
UNDESIGNATED FIELD (002)

LEASE TYPE: FEE
LEASE NUMBER: PATENTED

PROPOSED PRODUCING FORMATION: FRSD

INSPECT LOCATION BY: 05/01/96

TECH REVIEW	Initials	Date
Engineering		
Geology		
Surface	<i>CJ</i>	7/2/96

RECEIVED AND/OR REVIEWED:

☐ Plat
☐ Bond: Federal[] State[] Fee[]
 (Number _____)
☐ Potash (Y/N)
☐ Oil shale (Y/N)
☐ Water permit
 (Number _____)
☐ RDCC Review (Y/N)
 (Date: _____)

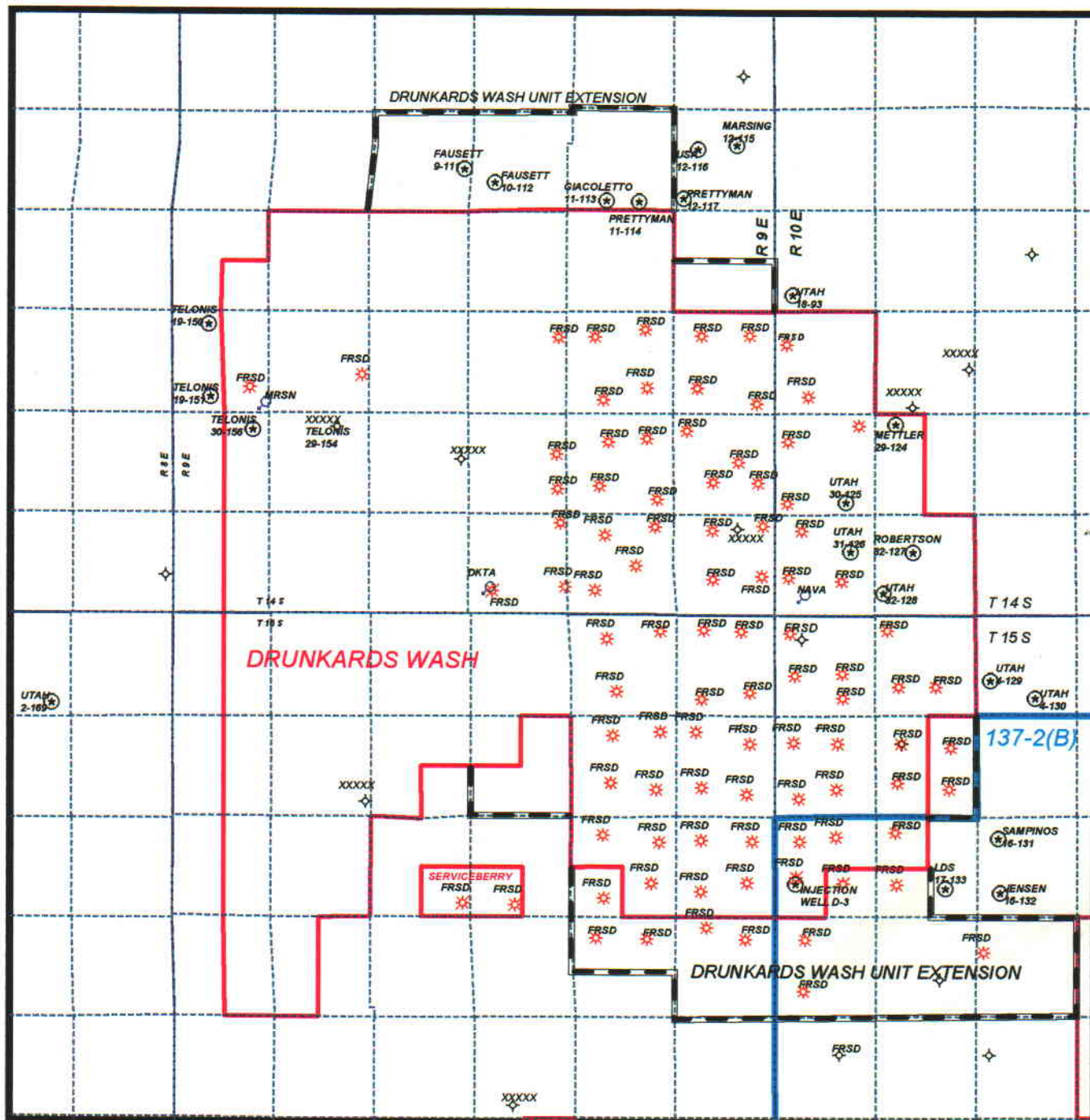
LOCATION AND SITING:

☐ R649-2-3. Unit: _____
☐ R649-3-2. General.
☐ R649-3-3. Exception.
☒ Drilling Unit.
 Board Cause no: 137-2B
 Date: _____

COMMENTS: _____

STIPULATIONS: _____

RIVER GAS CORPORATION DEVELOPMENT & EXTENSION DRILLING CARBON COUNTY UAC R649-2-3. R649-3-3, & R649-3-2



PREPARED:
DATE: 20-FEB-96

STATE OF UTAH, DIV OF OIL, GAS & MINERALS

Operator: RIVER GAS CORP	Well Name: LDS 17-133
Project ID: 43-007-30313	Location: SEC. 17 - T15S - R10E

Design Parameters:

Mud weight (9.20 ppg) : 0.478 psi/ft
 Shut in surface pressure : 1555 psi
 Internal gradient (burst) : 0.041 psi/ft
 Annular gradient (burst) : 0.000 psi/ft
 Tensile load is determined using air weight
 Service rating is "Sweet"

Design Factors:

Collapse : 1.125
 Burst : 1.00
 8 Round : 1.80 (J)
 Buttress : 1.60 (J)
 Other : 1.50 (J)
 Body Yield : 1.50 (B)

Length (feet)		Size (in.)	Weight (lb/ft)	Grade	Joint	Depth (feet)	Drift (in.)	Cost	
1	1,621	5.500	17.00	J-55	ST&C	1,621	4.767		
	Collapse Load Strgth S.F. (psi) (psi)			Burst Load (psi)	Min Int Yield Strgth S.F. (psi)	Tension Load Strgth S.F. (kips) (kips)			
1	775	4910	6.335	1621	5320	3.28	27.56	229	8.31 J

Prepared by : MATTHEWS, Salt Lake City, Utah

Date : 07-03-1996

Remarks :

COALBED METHANE

Minimum segment length for the 1,621 foot well is 1,500 feet.

SICP is based on the ideal gas law, a gas gravity of 0.69, and a mean gas temperature of 86°F (Surface 74°F , BHT 97°F & temp. gradient 1.400°/100 ft.)

String type: Production - Frac

The frac gradient of 1.000 psi/ft results in an injection pressure of 1,621 psi.

The mud gradient and bottom hole pressures (for burst) are 0.478 psi/ft and 1,621 psi, respectively.

NOTE: The design factors used in this casing string design are as shown above. As a general guideline, Lone Star Steel recommends using minimum design factors of 1.125 - collapse (with evacuated casing), 1.0 - (uniaxial) burst, 1.8 - API 8rd tension, 1.6 - buttress tension, 1.5 - body yield tension, and 1.6 - EUE 8rd tension. Collapse strength under axial tension was calculated based on the Westcott, Dunlop and Kemler curve. Engineering responsibility for use of this design will be that of the purchaser.
 Costs for this design are based on a 1987 pricing model. (Version 1.07)

DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS

Operator Name: River Gas Corporation

Name & Number: LDS 17-133

API Number: 43-007-30313

Location: 1/4, 1/4 NW SE Sec. 17 T. 15S R. 10E

Geology/Ground Water:

There are no aquifers with high quality ground water expected to be encountered. The proposed casing and cement program will adequately isolate any zones of water penetrated.

Reviewer: D. Jarvis

Date: 7/2/96

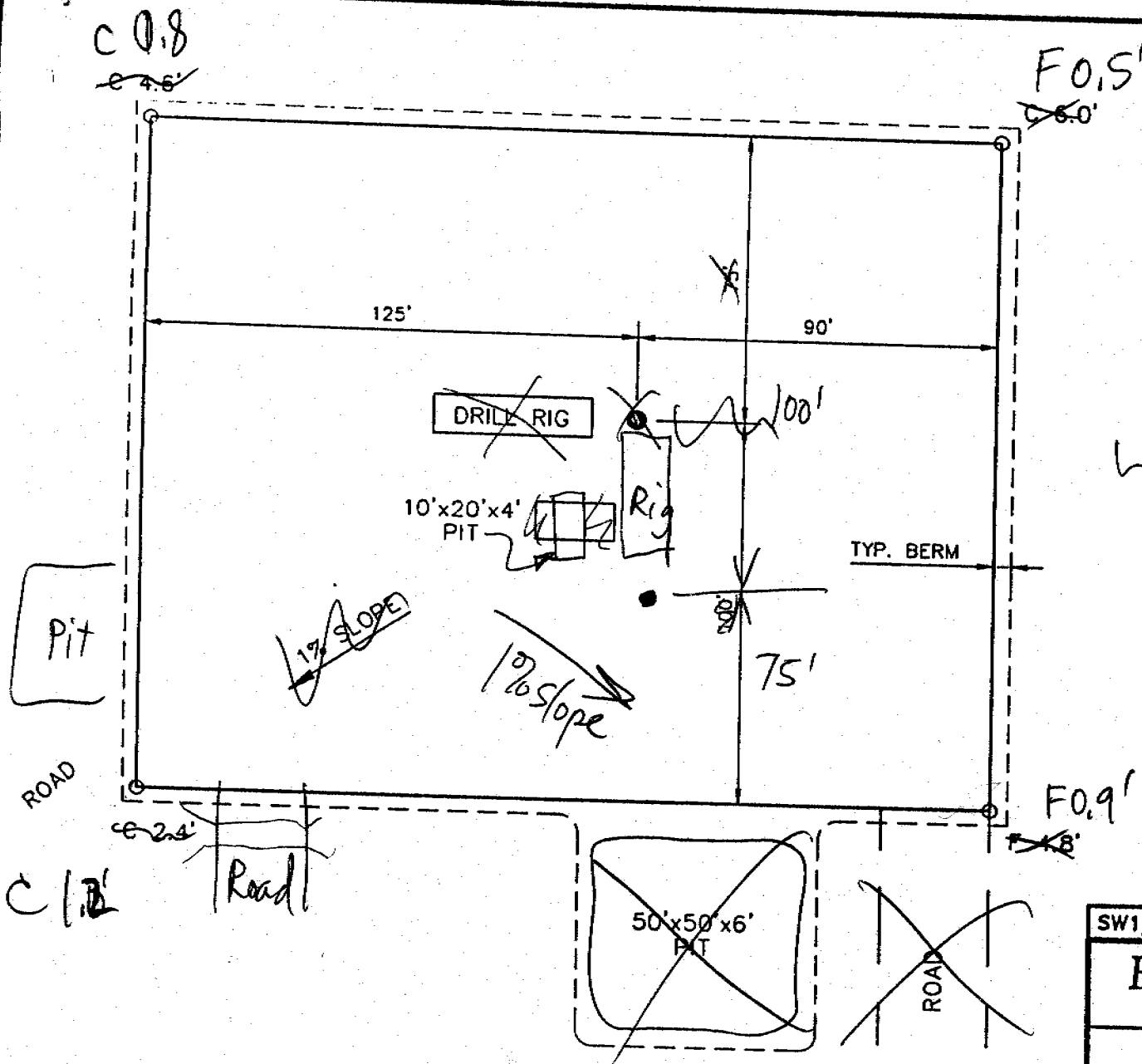
Surface:

The Mancos Shale soil is relatively impermeable, stable and not incised or undermined on or immediately beside the disturbed area. The nearest moving surface waters are the Carbon Canal and Miller Creek, both approximately 0.25 mile from the pad. The observed muddy soil and salt crust are probably due to seepage from the up-slope Carbon Canal and the irrigated field which is adjacent to the pad on the east. Because of road patterns and the canal, the drainage basin is limited so flash-flooding is unlikely to be a problem. Precipitation will be deflected around the location with berms and culverts. There are no nearby culinary or irrigation water supply wells. The site was photographed and characterized on 6/26/96. Provision was made to ensure site rehabilitation, litter and waste control, preservation of drainage patterns and the integrity of local infrastructure, groundwater and other resources. The well utilities and gas gathering system will follow the approach roadway.

Reviewer: Christopher J. Kierst **Date:** 7/2/96

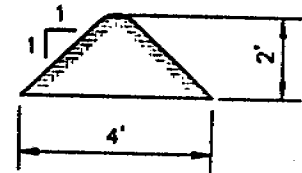
Conditions of Approval/Application for Permit to Drill:

- 1) Culverts outside pad berm and in irrigation ditch.
- 2) ~~B~~erm location and pit.
- 3) Site infrastructure as per modified drilling location plat.
- 4) Native clay lined pit.
- 5) Compliance with local ordinances as well as DOGM requirements.



SCALE: 1" = 40'

LDS 17-133



TYP. BERM SURROUNDING PAD



○ INDICATES 1"x2"x24" WOOD STAKE

SW1/4 SEC. 31, T 15 S, R 10 E, S.L.B. & M.		
Empire Engineering		
1665 E. Sagewood Rd Price, Utah 84501		
RIVER GAS CORPORATION <i>LDS</i>		
WELL # UTAH 30-125 <i>17-133</i>		
Drawn By: THK	Approved By: EEH	Drawing No.
Date: 4-20-95	Scale: 1" = 40'	EEOG-96-30 Sheet: 2 of 2

ON-SITE PREDRILL EVALUATION

Division of Oil, Gas and Mining

OPERATOR: River Gas Corporation

WELL NAME & NUMBER: LDS 17-133

API NUMBER: 43-007-30313

LEASE: Fee (LDS) FIELD/UNIT: 137-2(B)

LOCATION: 1/4, 1/4 NW SE Sec: 17 TWP: 15 RNG: 10 1500 FSL 1700 FEL

LEGAL WELL SITING: 1500F SEC. LINE; 180F 1/4, 1/4 LINE; F ANOTHER WELL.

GPS COORD (UTM): 515,308; 4,374,028

SURFACE OWNER: LDS church, 50 E. N. Temple, Salt Lake City, UT 84150

PARTICIPANTS

C. Kierst (DOGM), S. Prince (RGC), L. Jensen (Nelco) Surface owner representative was unable to attend on 6/26/96 so the presite was reconvened and recapitulated on 6/27/96 to accomodate his desire to attend.

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Mancos Shale lowlands east of Wasatch Plateau (11 miles east)/ flat ground 1.25 miles south of Mancos Shale-derived alluvial erosional remnants. Gentle slope to Miller Creek (0.25 miles north) and with Carbon Canal passing by 0.25 miles to the south. Ground on location and nearby is saturated and salt-crustured due to seepage from the canal with subsequent evaporation.

SURFACE USE PLAN

CURRENT SURFACE USE: Agricultural land and wildlife habitat.

PROPOSED SURFACE DISTURBANCE: 215' X 175' pad with 50' X 50' X 6' attached pit and approximately 1800' approach road.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: Utah 17-102, 103 and 21-83

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Residential utilities

are approximately 0.25 mile away.

SOURCE OF CONSTRUCTION MATERIAL: gravel location and approach road;
soil stored in berm.

ANCILLARY FACILITIES: none

WASTE MANAGEMENT PLAN:

Portable toilets; garbage cans on location will be emptied into
centralized dumpsters which will be emptied into an approved landfill.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: The saturated ground in this
area is an artifical construct and does not present a truly
hydrophyllic flora.

FLORA/FAUNA: greasewood, tamarisk, sparse grass/ birds, lizards,
coyotes, rodents

SOIL TYPE AND CHARACTERISTICS: light gray, saturated and bentonitic;
a low permeability

SURFACE FORMATION & CHARACTERISTICS: Mancos Shale, light gray,
bentonitic

EROSION/SEDIMENTATION/STABILITY: stable ground

PALEONTOLOGICAL POTENTIAL: poor

RESERVE PIT

CHARACTERISTICS: natural soil, dugout

LINER REQUIREMENTS (Site Ranking Form attached): native clay

SURFACE RESTORATION/RECLAMATION PLAN

Recorded affidavit will be mailed to DOGM after recording; it was
received at RGC offices today

SURFACE AGREEMENT: I have seen it and it will be mailed.

CULTURAL RESOURCES/ARCHAEOLOGY: House on property to be wrecked - estimated
to be 60 to 80 years old and was moved to that location.

OTHER OBSERVATIONS/COMMENTS

Exception location needed. Culvert just outside pad berm and another in irrigation ditch.

ATTACHMENTS:

3-4 photographs

Chris Kierst
DOGM REPRESENTATIVE

7/2/96 1:00 PM
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>0</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>0</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>5</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>6</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

July 8, 1996

River Gas Corporation
511 Energy Center Blvd.
Northport, Alabama 35467

Re: LDS 17-133 Well, 1500' FSL, 1700' FEL, NW SE, Sec. 17,
T. 15 S., R. 10 E., Carbon County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-30313.

Sincerely,

R. L. Firth
Associate Director

lwp

Enclosures

cc: Carbon County Assessor
Bureau of Land Management, Moab District Office



Operator: River Gas Corporation
Well Name & Number: LDS 17-133
API Number: 43-007-30313
Lease: FEE
Location: NW SE Sec. 17 T. 15 S. R. 10 E.

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. Notification Requirements

Notify the Division within 24 hours following spudding the well or commencing drilling operations. Contact Jimmie Thompson at (801)538-5336.

Notify the Division prior to commencing operations to plug and abandon the well. Contact Frank Matthews at (801)538-5334 or Mike Hebertson at (801)538-5333.

3. Reporting Requirements

All required reports, forms and submittals shall be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis dated July 2, 1996 (copy attached).

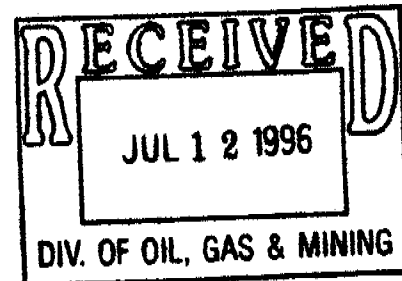


RIVER GAS CORPORATION

511 Energy Center Blvd.
Northport, Alabama 35476
Phone (205) 759-3282
Fax (205) 759-3188 (Accounting)
Fax (205) 758-5309 (Corporate)

July 8, 1996

Mr. Michael Hebertson
Utah Board of Oil, Gas, and Mining
1594 West North Temple Suite 1210
Salt Lake City, Utah 84114-5801



Dear Mr. Hebertson:

Enclosed for your review are copies of the surface land use agreements RGC has negotiated with LDS Church for the drilling of proposed wells Jensen 16-132 and LDS 17-133.

Sincerely,

A handwritten signature in cursive script, appearing to read "Terry Burns".

Terry Burns

STATE OF ALABAMA)
 :ss.
COUNTY OF TUSCALOOSA)

LDS
17-133

**AFFIDAVIT CONCERNING SURFACE OWNER
CONSENT REGARDING WELL SITE CONSTRUCTION**

JOSEPH L. STEPHENSON, being first duly sworn upon his oath,
deposes and states:

1. I am Vice President - Land of River Gas Corporation ("RGC"), an Alabama corporation duly authorized to transact business in the State of Utah, and am authorized to execute this Affidavit on behalf of said corporation.

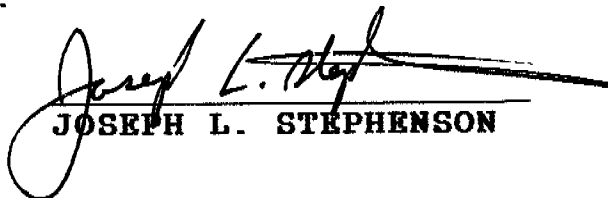
2. As Vice President - Land, I am responsible for supervision of lease records and reviewing title records and legal opinions affecting lands where RGC proposes to conduct operations, and obtaining surface land use agreements associated with the development of leased mineral rights.

3. RGC proposes to drill a coalbed methane gas well named the LDS 17-133 located in the NW1/4 of SE1/4 of Section 17, T15S, R10E, Carbon County, Utah, the surface area affected by the proposed well site being owned by the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-day Saints, a Utah corporation sole (hereafter called "surface owner").


4. As evidenced by copy of MEMORANDUM OF SURFACE LAND USE AGREEMENT dated effective June 11, 1996 attached hereto as Exhibit "A", and by this reference incorporated herein, the above described surface owner of the LDS 17-133 well site agreed to certain surface use as described therein.

5. The matters stated herein are true of my own knowledge, except to any matters stated herein upon information and belief, and, as to those matters, I believe them to be true.

DATED this 8th day of July, 1996.


JOSEPH L. STEPHENSON

Subscribed, sworn and acknowledged to and by Joseph L. Stephenson before me this 8th day of July, 1996.


NOTARY PUBLIC
Residing at:
1429 20th Avenue East
Tuscaloosa, AL 35404

(SEAL)

My Commission Expires: 3/8/98

COPY

EXHIBIT "A"

STATE OF UTAH
COUNTY OF CARBON

LDS 17-133
Jensen 16-132

WHEN RECORDED RETURN TO:
William L. Kirk, Jr. - Land Department
River Gas Corporation
511 Energy Center Blvd.
Northport, Alabama 35476

MEMORANDUM OF SURFACE LAND USE AGREEMENT

Corporation of the Presiding Bishop of The Church of
Jesus Christ of Latter-day Saints, a Utah corporation sole.

THIS MEMORANDUM OF SURFACE LAND USE AGREEMENT, dated effective the 11th day of June, 1996, is by and between ~~Price Utah North Stake of the Church of Jesus Christ of Latter Day Saints, a Utah Corporation Sole~~, whose address is 50 East North Temple, Salt Lake City, Utah 84150, (hereinafter referred to as "Grantor"), and River Gas Corporation, an Alabama corporation authorized to conduct to business in the state of Utah, with an address of 511 Energy Center Boulevard, Northport, Alabama 35476 (hereinafter referred to as "Grantee").

Grantor, in consideration of the covenants and agreements contained in that certain unrecorded Surface Land Use Agreement (the "Agreement") dated June 11, 1996, granted, and does hereby grant unto Grantee certain rights to enter upon and use certain lands (the "Lands") located in the County of Carbon, State of Utah, as described on Exhibit "A" attached hereto and made a part of this Memorandum of Surface Land Use Agreement, for the purpose of building access roads, pipelines and appurtenances thereto, power lines, and well sites for the drilling of a coalbed degasification wells on said property until such time as Grantee abandons said lands in accordance with the terms and conditions specified in said Agreement.

The Lands are subject to all of the terms and conditions of the Agreement, reference to which may be made for a complete statement of rights and obligations of Grantor and Grantee. Copies of the Agreement may be found at the above indicated addresses of the parties and are available for review during regular business hours by any party having a vested interest in the Agreement.

This Memorandum of Surface Land Use Agreement may be executed in any number of counterparts and shall be binding upon all parties executing the same or a counterpart hereof.

This Memorandum of Surface Land Use Agreement is to be placed of record to serve as notice of the execution and existence of said Agreement, and is in no way to supersede, abrogate, change or modify any of the terms, conditions, rights or obligations of any of the parties, all of which are set forth in detail in said Agreement. The terms and conditions of said Agreement are made a part hereof by reference for all purposes, to be the same effect as though written in extenso herein. All the terms, conditions and covenants of the Agreement shall be binding upon and shall inure to the benefit of the successors and assigns, respectively, of each of the parties hereto.

IN WITNESS WHEREOF, Grantor and Grantee have executed this Memorandum of Surface Land Use Agreement as of the dates of the respective acknowledgments.

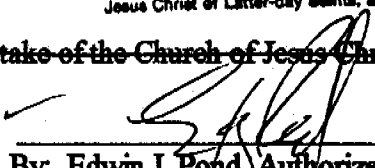


Dated: June 24, 1996

Grantor:

Corporation of the Presiding Bishop of The Church of
Jesus Christ of Latter-day Saints, a Utah corporation sole.

~~Price Utah North Stake of the Church of Jesus Christ of Latter Day Saints, a Utah Corporation Sole~~


By: Edwin J. Pond, Authorized Agent of Corporation of
Presiding Bishop
Tax ID #87-0234-341

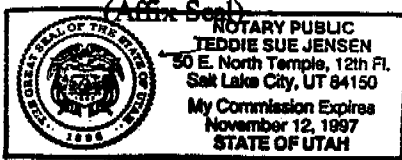
(Corporate Acknowledgment)

STATE OF UTAH

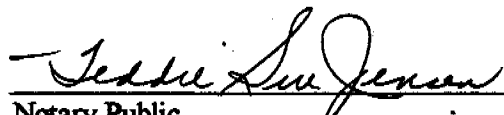
COUNTY OF Salt Lake

I, the undersigned authority, a Notary Public in and for said county in said state hereby certify that Edwin J. Pond, Authorized Agent of Corporation of Presiding Bishop of the Church of Jesus Christ of Latter Day Saints, a Utah Corporation Sole, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents of said instrument, he as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal, this the 24 day of June, 1996.



My commission expires: 11/12/97


Notary Public
Address: Salt Lake City, Ut

Dated: June 11, 1996.

Grantee:

RIVER GAS CORPORATION

By: Joseph L. Stephenson
Joseph L. Stephenson
Its: Vice President - Land

(Corporate Acknowledgment)

STATE OF ALABAMA
COUNTY OF TUSCALOOSA

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Joseph L. Stephenson, whose name as Vice President - Land of River Gas Corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal this the 12
day of June, 1996.

(Affix Seal)

Dana Campbell
Notary Public
Residing at:
1429 20th Ave E
Tuscaloosa, AL 35404

MY COMMISSION EXPIRES 3-8-98

My Commission Expires: _____

Exhibit "A"
LDS Church Surface Lands
Page 1 of 1

Attached to and made a part of that certain Memorandum of Surface Land Use Agreement effective the 11th day of June, 1996 by and between Price Utah North Stake of the Church of Jesus Christ of Latter Day Saints, a Utah Corporation Sole as Grantor and River Gas Corporation as Grantee.

1-A. A well location approximately two hundred foot (200') by two hundred fifty foot (250') (1.15 acres) in the NW/4 of SE/4 Section 17-T15s-R10e, SLM. (RGC/LDS 17-133).

1-B. A well location approximately two hundred foot (200') by two hundred fifty foot (250') (1.15 acres) in the SW/4 of SW/4, Section 16, T15s-R10e, SLM. (RGC/Jensen 16-132).

1-C. A road/pipeline/powerline right-of-way forty foot (40') wide by two thousand foot (2,000') long (121 rods) (1.84 acres) more or less, located in the SE/4 Section 17, T15s-R10e, SLM, which runs North from the West Stake Farm Road to the RGC/LDS 17-133 well location (Well location 1-A).

1-D. A road/pipeline/powerline right-of-way forty foot (40') wide by two thousand nine hundred fifty foot (2,950') long (179 rods) (2.71 acres) more or less, located in the SE/4 Section 17 and the SW/4 Section 16, T15s-R10e, SLM, which is needed for access from the RGC/LDS 17-133 access road (Road location 1-C) to the RGC/Jensen 16-132 Well (Well location 1-B).

1-E. A road/pipeline/powerline right-of-way forty foot (40') wide by two thousand five hundred foot (2,500') long (152 rods) (2.30 acres) more or less, located in the SW/4 of Section 16-T15s-R10e, SLM which is needed for access from the RGC/Jensen 16-132 access road (Road location 1-D) to adjoining property in the NW/4 of Section 16-T15s-R10e, SLM.

Signed For Identification

Corporation of the Presiding Bishop of The Church of
Jesus Christ of Latter-day Saints, a Utah corporation sole.


Edwin J. Pond BM
AUTHORIZED AGENT


Joseph L. Stephenson

STATE OF ALABAMA)
)
COUNTY OF TUSCALOOSA) :ss.

Jensen
16-132

**AFFIDAVIT CONCERNING SURFACE OWNER
CONSENT REGARDING WELL SITE CONSTRUCTION**

JOSEPH L. STEPHENSON, being first duly sworn upon his oath,
deposes and states:

1. I am Vice President - Land of River Gas Corporation ("RGC"), an Alabama corporation duly authorized to transact business in the State of Utah, and am authorized to execute this Affidavit on behalf of said corporation.

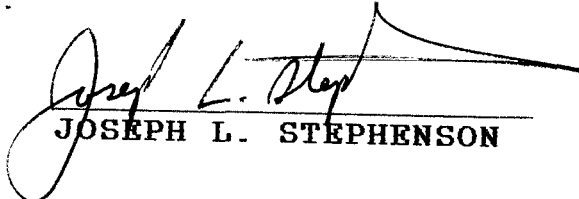
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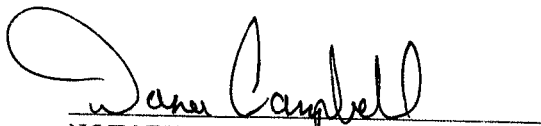
4. As evidenced by copy of MEMORANDUM OF SURFACE LAND USE AGREEMENT dated effective June 11, 1996 attached hereto as Exhibit "A", and by this reference incorporated herein, the above described surface owner of the Jensen 16-132 well site agreed to certain surface use as described therein.

5. The matters stated herein are true of my own knowledge, except to any matters stated herein upon information and belief, and, as to those matters, I believe them to be true.

DATED this 8th day of July, 1996.


JOSEPH L. STEPHENSON

Subscribed, sworn and acknowledged to and by Joseph L. Stephenson before me this 8th day of July, 1996.


NOTARY PUBLIC
Residing at:
1429 20th Avenue East
Tuscaloosa, AL 35404

(SEAL)

My Commission Expires: 3/8/98

COPY

STATE OF UTAH
COUNTY OF CARBON

LDS 17-133
Jensen 16-132

WHEN RECORDED RETURN TO:

William L. Kirk, Jr. - Land Department
River Gas Corporation
511 Energy Center Blvd.
Northport, Alabama 35476

MEMORANDUM OF SURFACE LAND USE AGREEMENT

Corporation of the Presiding Bishop of The Church of
Jesus Christ of Latter-day Saints, a Utah corporation sole.

THIS MEMORANDUM OF SURFACE LAND USE AGREEMENT, dated effective the 11th day of June, 1996, is by and between ~~Price Utah North Stake of the Church of Jesus Christ of Latter Day Saints, a Utah Corporation Sole~~, whose address is 50 East North Temple, Salt Lake City, Utah 84150, (hereinafter referred to as "Grantor"), and **River Gas Corporation**, an Alabama corporation authorized to conduct to business in the state of Utah, with an address of 511 Energy Center Boulevard, Northport, Alabama 35476 (hereinafter referred to as "Grantee").

Grantor, in consideration of the covenants and agreements contained in that certain unrecorded Surface Land Use Agreement (the "Agreement") dated June 11, 1996, granted, and does hereby grant unto Grantee certain rights to enter upon and use certain lands (the "Lands") located in the County of Carbon, State of Utah, as described on Exhibit "A" attached hereto and made a part of this Memorandum of Surface Land Use Agreement, for the purpose of building access roads, pipelines and appurtenances thereto, power lines, and well sites for the drilling of a coalbed degasification wells on said property until such time as Grantee abandons said lands in accordance with the terms and conditions specified in said Agreement.

The Lands are subject to all of the terms and conditions of the Agreement, reference to which may be made for a complete statement of rights and obligations of Grantor and Grantee. Copies of the Agreement may be found at the above indicated addresses of the parties and are available for review during regular business hours by any party having a vested interest in the Agreement.

This Memorandum of Surface Land Use Agreement may be executed in any number of counterparts and shall be binding upon all parties executing the same or a counterpart hereof.

This Memorandum of Surface Land Use Agreement is to be placed of record to serve as notice of the execution and existence of said Agreement, and is in no way to supersede, abrogate, change or modify any of the terms, conditions, rights or obligations of any of the parties, all of which are set forth in detail in said Agreement. The terms and conditions of said Agreement are made a part hereof by reference for all purposes, to be the same effect as though written in extenso herein. All the terms, conditions and covenants of the Agreement shall be binding upon and shall inure to the benefit of the successors and assigns, respectively, of each of the parties hereto.

IN WITNESS WHEREOF, Grantor and Grantee have executed this Memorandum of Surface Land Use Agreement as of the dates of the respective acknowledgments.



Dated: June 24, 1996

Grantor:

Corporation of the Presiding Bishop of The Church of
Jesus Christ of Latter-day Saints, a Utah corporation sole.

~~Price Utah North Stake of the Church of Jesus Christ of Latter Day Saints, a Utah Corporation Sole~~

By: Edwin J. Pond, Authorized Agent of Corporation of
Presiding Bishop
Tax ID #87-0234-341

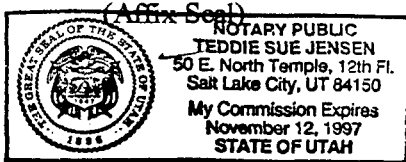
(Corporate Acknowledgment)

STATE OF UTAH

COUNTY OF Salt Lake

I, the undersigned authority, a Notary Public in and for said county in said state hereby certify that **Edwin J. Pond, Authorized Agent of Corporation of Presiding Bishop of the Church of Jesus Christ of Latter Day Saints, a Utah Corporation Sole**, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day, that being informed of the contents of said instrument, he as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal, this the 24 day of June, 1996.



My commission expires: 11/12/97

Teddie Sue Jensen
Notary Public
Address: Salt Lake City, Ut

Dated: June 11, 1996.

Grantee:

RIVER GAS CORPORATION

By: Joseph L. Stephenson
Joseph L. Stephenson
Its: Vice President - Land

(Corporate Acknowledgment)

STATE OF ALABAMA
COUNTY OF TUSCALOOSA

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that **Joseph L. Stephenson, whose name as Vice President - Land of River Gas Corporation**, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal this the 12
day of June, 1996.

(Affix Seal)

Dana Campbell
Notary Public
Residing at:
1429 20th Ave. E.
Tuscaloosa, AL 35404

MY COMMISSION EXPIRES 3-8-98

My Commission Expires: _____

Exhibit "A"
LDS Church Surface Lands
Page 1 of 1

Attached to and made a part of that certain Memorandum of Surface Land Use Agreement effective the 11th day of June, 1996 by and between Price Utah North Stake of the Church of Jesus Christ of Latter Day Saints, a Utah Corporation Sole as Grantor and River Gas Corporation as Grantee.

1-A. A well location approximately two hundred foot (200') by two hundred fifty foot (250') (1.15 acres) in the NW/4 of SE/4 Section 17-T15s-R10e, SLM. (RGC/LDS 17-133).

1-B. A well location approximately two hundred foot (200') by two hundred fifty foot (250') (1.15 acres) in the SW/4 of SW/4, Section 16, T15s-R10e, SLM. (RGC/Jensen 16-132).

1-C. A road/pipeline/powerline right-of-way forty foot (40') wide by two thousand foot (2,000') long (121 rods) (1.84 acres) more or less, located in the SE/4 Section 17, T15s-R10e, SLM, which runs North from the West Stake Farm Road to the RGC/LDS 17-133 well location (Well location 1-A).

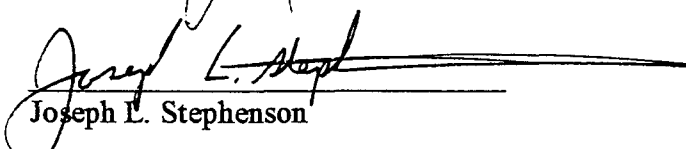
1-D. A road/pipeline/powerline right-of-way forty foot (40') wide by two thousand nine hundred fifty foot (2,950') long (179 rods) (2.71 acres) more or less, located in the SE/4 Section 17 and the SW/4 Section 16, T15s-R10e, SLM, which is needed for access from the RGC/LDS 17-133 access road (Road location 1-C) to the RGC/Jensen 16-132 Well (Well location 1-B).

1-E. A road/pipeline/powerline right-of-way forty foot (40') wide by two thousand five hundred foot (2,500') long (152 rods) (2.30 acres) more or less, located in the SW/4 of Section 16-T15s-R10e, SLM which is needed for access from the RGC/Jensen 16-132 access road (Road location 1-D) to adjoining property in the NW/4 of Section 16-T15s-R10e, SLM.

Signed For Identification

Corporation of the Presiding Bishop of The Church of
Jesus Christ of Latter-day Saints, a Utah corporation sole.


Edwin J. Pond AUTHORIZED AGENT *EM*


Joseph L. Stephenson



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

August 6, 1997

Mr. Steven L. Prince
River Gas Corporation
1305 South 100 East
Price, Utah 84501

Re: LDS 17-133 Well, Sec. 17, T. 15S, R. 10E, Carbon County, Utah,
API No. 43-007-30313

Dear Mr. Prince:

Due to excessive time delay in commencing drilling operations, approval to drill the subject well is hereby rescinded, effective immediately.

Please note that a new Application for Permit to Drill must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,

A handwritten signature in cursive script that reads "Don Staley".

Don Staley
Administrative Manager
Oil and Gas

cc: J.R. Baza
K.M. Hebertson
Well File